

Background on the Home Health program:

DHEC began providing home health services nearly 50 years ago in 1966 in response to a need for services that was not being fulfilled by the private sector. The program is 100% supported by participant fees, and has been unable to earn enough revenue to sustain the program. To be able to continue to operate, the program has been partially funded from revenues earned in the past, but these reserves are diminishing. Staffing consists of approximately 86 full-time employees and 38 part-time or hourly employees.

DHEC is licensed to provide services in all 46 counties. There is a parent company located in DHEC central office and four separately licensed subunits in Anderson, Newberry, Florence and Walterboro. Each subunit is licensed for 11 or 12 counties. All five units are accredited by the Community Health Accreditation Program (CHAP) until October 2015. The agency is currently pursuing accreditation renewal.

Home health referrals break down as follows:

- 60% from hospitals,
- 24% from physician offices,
- 5% from rehabilitation facilities,
- 3% from managed care contracts, and
- 3% from the Veterans Administration (VA).

From July 2014 to May 2015, services were provided to 4,762 patients. The average daily caseload is 807 patients.

Payer source by current caseloads is as follows:

- 40% Medicare,
- 22% Medicare Advantage,
- 10% Medicare Managed Care,
- 9% Medicaid,
- 5% are covered under the VA
- 1.3% were billed according to a sliding fee scale based on ability to pay, and
- Remaining patients are covered under other commercial or contracted payers.

The program's earned revenue has been less than its operational expenses for the past three years. Please see below for a breakdown of costs for the past three fiscal years (FY).

- FY15: Revenue was \$11,451,431 and expenses were \$11,485,369 for a loss of \$39,938.
- FY14: Revenue was \$13,523,879 and expenses were \$13,952,141 for a loss of \$428,262.
- FY13: Revenue was \$14,995,979 and expenses were \$16,720,947 for a loss of \$1,724,968.

Home health operations have been partially funded from revenue we earned in the past, but these reserves are diminishing. We've had to scale back some of our services to reduce our annual losses, such as social work, nursing, and physical therapy in some situations. In addition, we are only hiring staff through hourly rates or temporary services.